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THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF THE GROUP.
Dimitri Courtelis – Chief Financial Officer (CFO)
- Joined airberlin in November 2015 as deputy CFO and was appointed CFO in September 2016
- Prior experience with Etihad and management board of Air Serbia (CFO)
- Former consultant at Deloitte in Dubai and Ernst & Young in Australia
- Holds a degree in Economics and is a qualified Chartered Accountant

Stefan Pichler – Chief Executive Officer (CEO)
- Joined airberlin in February 2015 as the new CEO
- Prior experience includes CEO roles at Fiji Airways, Jazeera Airways and Thomas Cook and CCO roles at Virgin Australia and Deutsche Lufthansa
- Holds Diploma in Economics from the Insead, France and Diplomas in Economics and Law from Augsburg, Germany

Neil Mills – Chief Strategy and Planning Officer (CSPO)
- Joined airberlin in February 2016 as CSPO
- Prior experience includes Management Board position with Fly Dubai (CFO), Spice Jet (CEO) and Philippine Airlines Group
- Qualified Chartered Accountant

Dimitri Courtelis – Chief Financial Officer (CFO)
- Joined airberlin in November 2015 as deputy CFO and was appointed CFO in September 2016
- Prior experience with Etihad and management board of Air Serbia (CFO)
- Former consultant at Deloitte in Dubai and Ernst & Young in Australia
- Holds a degree in Economics and is a qualified Chartered Accountant
Current business model limits airberlin’s ability to compete effectively

The single platform strategy results in a complicated business model...

- Complicated business model serving multiple market segments from a single business platform
- Limits airberlin’s flexibility to compete effectively with carriers with a focused service offering
- Network suffers from high seasonality and low productivity
- Operational cost inefficiencies
- Multiple loss making routes
- Increasing LCCs competition at key German airports

...which has negatively impacted financial and operational performance

- Lower PRASK despite ASK reduction...
  - PRASK (€ cents)
    - 2013: 6.55
    - 2015: 6.50
    - (1%)
  - Lower PRASK despite ASK reduction...

- Coupled with increasing CASK...
  - CASK ex-fuel (€ cents)
    - 2013: 5.88
    - 2015: 6.29
    - +7%
  - Coupled with increasing CASK...

- Resulted in continued losses
  - EBIT (€m)
    - 2013: (232)
    - 2015: (307)
    - (32%)
  - Resulted in continued losses

Previous restructuring initiatives have only “scratched the surface” without addressing the root cause

Note:
(1) Excluding non recurring items
Shift towards a focused platform strategy

One platform strategy

- Long Haul
- Short Haul
- Business
- Leisure

Past

Focused platform strategy

- New airberlin
- Touristic operations
- Long Haul
- Short Haul
- Business
- Leisure

- 75 a/c
- 35 a/c

- Focused Network Carrier / yield & cost focus
- Touristic / TOP(1) focus

- Targeted business, more structured going forward
- Simplified and tailored business model for each market segment
- Separation of seasonal touristic operations
- Lean, right-sized business with limited unproductive aircraft
- Restructured network to drive higher RASK
- Increased productivity and efficiency to improve CASK

- Multiple market segments served through a single complex network
- High seasonality and low productivity
- Limited benefits from scale and inefficient cost base
- RASK comparable with a Low Cost Carrier (“LCC”)
- CASK comparable with Full Service Carrier (“FSC”)

Note:
(1) Touristic Operator
New airberlin will be a leaner, restructured business focused on “core” operations...

The new airberlin will have the right size and shape...

- Lean, focused network carrier
- Redefined network focused on profitable routes
- Long-haul operations from BER and DUS only (dual-hub strategy)
- Short-haul network focusing on key cities with multiple daily frequencies for long-haul network out of key hubs
- Schedule connectivity optimised to capture higher yielding business traffic
- Reduction of seasonality driving more efficient utilisation of assets
- Enhanced crew and aircraft productivity enabled by network restructure and elimination of seasonality
- Rationalised and efficient cost base
- Significantly reduced fleet size

airberlin will provide up to 40 aircraft to Lufthansa Group and will continue to assess strategic options for the focused touristic operations
...through providing up to 40 aircraft to the Lufthansa Group...

Enables airberlin to...

- Re-allocate aircraft reducing excess capacity
- Reduce crew and maintenance expenses
- Focus on profitable routes
- Minimise restructuring costs
- Retain staff currently employed

ACMIO

- Management expects payment over period of the agreement to exceed €1.2bn
- Lufthansa Group to provide monthly payments with a minimum guarantee

Redeployment

- Wet lease of up to 38 aircraft and 2 dry lease aircraft
- 6 years
- All aircraft: A320 family
- Cockpit, cabin crew, maintenance, insurance and overhead services

Note: No slots / routes to be transferred
The focused touristic operations will be an operationally independent business unit with a redesigned network, lean cost structure and optimised business model (assessing strategic options).

Touristic operations

Business model

- Independent management team
- Simplified one-way pricing, block capacity for tour operators
- Lean overhead structure tailored to business needs
- Use of the most efficient aircraft for touristic travel to optimise cost base
- In-flight services paid by customer, e.g. catering

Network

- Network reconfiguration leading to reduced seasonality
- Re-focus on profitable touristic routes in key locations
- Productivity driven network, no designed connectivity
- Single-class product with full economy configuration
- Focused bases
- Minimal flying from secondary airports and W-rotations
The new airberlin will be a sustainable and profitable business as restructuring addresses the root causes not addressed previously.

**Redefined, profitable and integrated network**
- Long-haul network out of BER and DUS (dual-hub strategy) only
- Strong short-haul network providing feed for long-haul at key hubs
- Focus on profitable routes – number of routes significantly reduced by 77%
- Less exposure to touristic and geopolitically impacted regions while creating an enhanced customer proposition with daily frequencies to increase business penetration

**Higher productivity**
- Reduction in fleet size (-50%) and complexity (down to 3 aircraft types)
- Efficient aircraft utilisation, +29% increase in annual block hours per aircraft

**Reduced seasonality**
- Separation of touristic routes (to be operated independently)
- 71 lines of flying in summer and 70 in winter compared to 148 lines in summer and 121 in winter pre-restructuring
- Focus on year-round routes and greater flexibility to shift capacity

**Boost to unit revenues**
- Significant improvement in RASK
- Enhanced through focus on premium traffic and an improved traffic mix
- Further improvement from a technology driven sales channel mix and building upon ancillary services

**More efficient cost base**
- Significant improvement in CASK
- Driven by improved utilization of aircraft, crew and streamlining of overheads
- Planned headcount reduction of up to 1,200 employees

**Enhanced profitability and cash flow generation**
- Significant improvement in EBIT
- Positive cash flow impact
- Improved liquidity position and gradual deleveraging
Dual-hub approach building on #1 market positions\(^{(1)}\) in Berlin and Düsseldorf

- Focus on operating a long-haul network out of Berlin and Düsseldorf
- Rationalised main hubs and domestic bases
- Integrated with domestic network
- Leverage on existing positioning at Berlin and Düsseldorf
- Large and attractive catchment areas
- Key bases for long-haul traffic
- Centralised operations functions and streamlining of overheads
- Minimise staff outside hubs and bases
- The scope of ABT’s maintenance activities is under review

**Improved connectivity at hubs**

<table>
<thead>
<tr>
<th></th>
<th>2015 summer schedule</th>
<th>2017 summer schedule</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BER</strong></td>
<td>28 long-haul departures/week</td>
<td>41 long-haul departures/week</td>
<td>+46%</td>
</tr>
<tr>
<td></td>
<td>95 Minutes</td>
<td>71 Minutes</td>
<td>(25%)</td>
</tr>
<tr>
<td><strong>DUS</strong></td>
<td>44 long-haul departures/week</td>
<td>71 long-haul departures/week</td>
<td>+61%</td>
</tr>
<tr>
<td></td>
<td>114 Minutes</td>
<td>94 Minutes</td>
<td>(18%)</td>
</tr>
</tbody>
</table>

Note:
(1) Rank by number of seats
Renewed focused network carrier with attractive long-haul destinations…

**Strategy**
- Leverage on main hubs
- Enhance and expand current long-haul network through increased frequencies and new routes
- Focus on premium passengers and higher yielding routes
- Dual-class wide-body fleet
- Origination and Destination pricing
- Long-haul leisure focused on maximising utilisation year round and offset seasonality
- Greater integration with short-haul
- Network expansion through partnerships
- Continued cooperation with Etihad Airways Partners (“EAP”) network

**Long-haul expansion into higher yielding routes**
- New York (7 to 10 weekly)
- Miami (4 weekly winter, 3 weekly summer)
- Boston (4 weekly to daily)
- San Francisco (5 weekly to daily)

**Main hubs**
- BER
- DUS

**New long-haul markets**
- Berlin: Los Angeles (3 weekly), San Francisco (4 weekly)
- Düsseldorf: Orlando (5 weekly)

**Frequency growth on existing routes**
- BER
- DUS

**60%**

Long-haul destinations

(1) Network breakdown by ASK

- Higher yields driven by connecting relevant catchment areas
- Higher load factor out of long-haul segment driven by improved pax connectivity
- Strengthens positioning in North America
- 14% PRASK improvement on long-haul destinations
...and a strong short- and medium-haul network focused on key city routes...

Strategy

- Strengthen competitive position:
  - Higher share of business traffic
  - Build strong feed for long-haul flying out of key hubs
- Focus on key mid-haul / European routes
  - Profitable and network contributing
  - Business focused
- Focus on profitable routes
- Origination and Destination pricing
- Core markets: DACH, Scandinavia, Italy, Eastern Europe, European capitals

Key hub
- Tel Aviv

12 Domestic destinations
- 14% Domestic

53 European destinations
- 26% European

- Strong positioning in Germany (largest European market\(^{(2)}\))
- Strong yield uplift +4.1% driving PRASK improvement +5.5% on Domestic and European routes
- Efficient allocation of aircraft and crew
- Reduced seasonality

Domestic 14%\(^{(1)}\)
European 26%\(^{(1)}\)

(1) Network breakdown by ASK
(2) Ranked by passenger volumes
...with minimal seasonal exposure...

**Seasonality reduces asset productivity**

- Short-/medium-haul leisure is subject to higher seasonality
- Seasonal off-peak routes require systematic discounting and reduce yields

**New network has minimal seasonal exposure**

- Long-haul program shifts winter capacity from North Atlantic to counter-seasonal Florida & Caribbean markets
- Short-/medium-haul focus on year-round routes/destinations
- Touristic routes focused within cost competitive business

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Note:

(1) Excluding non-productive a/c (i.e. under maintenance)
...leading to a more integrated and rationalised network with higher asset productivity

<table>
<thead>
<tr>
<th>No. of aircraft</th>
<th>Seasonality (Lines of flying)</th>
<th>Network breakdown by ASK</th>
<th>ASK (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 FY</td>
<td>New airberlin</td>
<td>2015 FY</td>
<td>New airberlin</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(34%)</td>
</tr>
<tr>
<td></td>
<td>148</td>
<td>14%</td>
<td>55.8</td>
</tr>
<tr>
<td></td>
<td>71</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>121</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>No. of routes</td>
<td>PAX transported (m)</td>
<td>Stage length (km)</td>
<td>Block hours per aircraft</td>
</tr>
<tr>
<td>2015 FY</td>
<td>New airberlin</td>
<td>2015 FY</td>
<td>New airberlin</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(34%)</td>
</tr>
<tr>
<td></td>
<td>30.2</td>
<td>1.504</td>
<td>3.105</td>
</tr>
<tr>
<td></td>
<td>(36%)</td>
<td>(3%)</td>
<td>(29%)</td>
</tr>
<tr>
<td></td>
<td>19.2</td>
<td>1.465</td>
<td>4.015</td>
</tr>
</tbody>
</table>

- New network mix focusing more on profitable routes contributes significantly to revenues
- Rationalised network serving fewer, more profitable routes
- Minimal seasonality with 71 lines of flying in summer (-52%) and 70 in winter (-42%)
- More efficient aircraft base reflected in reduced fleet and increase in block hours per aircraft

Note: Figures presented on run rate basis
Modern, cost efficient and leased fleet

- Efficient and innovative financing providing greater flexibility
- With exception of regional aircraft, one aircraft family
- Average fleet age of 7.5 years as of 30 June 2016
- Rationalized fleet with minimised risk of re-delivery and technical lease out costs
- 8 wide-body aircraft to be delivered by 2019 to enable long-haul flights
- Continued cooperation with EAP to support fleet requirement (700+ aircraft within the group)

**New airberlin fleet**

<table>
<thead>
<tr>
<th>Aircraft type</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>18</td>
</tr>
<tr>
<td>Narrow-body</td>
<td>40</td>
</tr>
<tr>
<td>Wide-body</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

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Note:
(1) Available for operations as of 30 June 2016 (i.e. excluding phasing out aircraft)
New airberlin will benefit from enhanced unit revenues and lower unit costs

**ASK reduction**

<table>
<thead>
<tr>
<th>Year</th>
<th>ASK (Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>55.8</td>
</tr>
<tr>
<td>New airberlin</td>
<td>36.6</td>
</tr>
</tbody>
</table>

**RASK/PRASK improvement**

<table>
<thead>
<tr>
<th>Year</th>
<th>RASK (€ cents per ASK)</th>
<th>PRASK (€ cents per ASK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.50</td>
<td>0.81</td>
</tr>
<tr>
<td>New airberlin</td>
<td>7.31</td>
<td></td>
</tr>
</tbody>
</table>

**CASK improvement**

<table>
<thead>
<tr>
<th>Year</th>
<th>CASK (€ cents per ASK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.29</td>
</tr>
<tr>
<td>New airberlin</td>
<td>7.96</td>
</tr>
</tbody>
</table>

- **ASK reduction mainly resulting by the separation of touristic operations from the new airberlin**
- **Higher RASK/PRASK driven by a renewed network, focused on more profitable routes**
- **Lower CASK driven by enhanced utilisation of aircraft and crew, streamlining of overheads and fuel cost reduction**

**Note:** Figures presented on run rate basis

(1) Excluding restructuring, implementation and non recurring costs. Includes cargo figures estimates based on 2015 results
The restructuring will enable new airberlin to be a lean and focused network carrier with low seasonality and a profitable business model.
Questions and Answers